

SECRET

ECONOMIC INTELLIGENCE COMMITTEE

Control No. 488948
EIC-M-77
30 October 1958

Minutes of Meeting Held in
Room 1121, Temporary M Building
26th and Constitution Avenue, N. W.

30 October 1958

PRESENT:

25X1A

Dr. Otto E. Guthe, Chairman

[REDACTED], Vice Chairman

Mr. Bennett V. S. Davis, Department of the Navy

Mr. John W. Easton, The Joint Staff

Mr. J. Bruce Hamilton, Department of State

Mr. Kingsley W. Hamilton, Department of the Air Force

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Mr. J. Duncan Holmes, Department of the Army

Colonel Lee C. Miller, The Joint Staff

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[REDACTED] EIC/S

[REDACTED] Executive Secretary

APPROVAL OF MINUTES:

1. The Minutes of the EIC meeting of 11 September 1958 (EIC-M-76) were approved. The Chairman called attention to the inadvertent omission of the name of the Army representative and stated that the Secretariat's records had been amended to reflect the attendance of Mr. J. Duncan Holmes.

ANNOUNCEMENTS:

2. The Chairman introduced Colonel Lee C. Miller as a new alternate EIC representative from the Joint Staff, vice Lt. Col. De Voss.

3. The Department of Agriculture has designated Dr. Max Myers, Administrator, Foreign Agricultural Service, as the Department's representative on the EIC, vice Mr. Gwynn Garnett; and the Federal Communications Commission has designated Mr. Robert E. Stromberg, Chief, Office of Accounting Systems, Common Carrier Bureau, as the FCC's representative to the EIC, vice Mr. John J. Nordberg. Mr. Nordberg will serve as the FCC's alternate member.

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4. The Chairman called attention to three excerpts from the USIB Minutes of 14 October. These were distributed to the EIC representatives at the beginning of the meeting. Pertinent EIC action was as follows:

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a. Para. 5, item b, page 3, wherein the EIC was asked by the Intelligence Board to look into a US [redacted] message to the effect that the USSR was putting strong economic pressure on Finland. The Chairman stated that we had met this request through the Working Group on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas in the Biweekly Report of 27 October 1958.

b. Item 6, page 4, Final Report of EDIC (USIB-D-44.5/1, 29 September) to the effect that the Intelligence Board had approved the establishment of the Economic Defense Intelligence Committee as a Subcommittee of the EIC. The Executive Secretary of the new EIC Subcommittee on Economic Defense has notified the EDIC members of the IB action. Terms of reference for the new Subcommittee have been drafted and, upon approval by the Subcommittee, they will be circulated to the EIC for approval.

c. Item 7, page 4, Seventh Annual Progress Report of the EIC (IAC-D-22/8, 29 August). The IB concurred in the suggestion of General Breitweiser, Director for Intelligence, The Joint Staff, that the EIC be commended for its very useful work in producing the Biweekly Report on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas.

5. The Chairman announced that EIC-S-30, "Survey of Professional Personnel Engaged in Economic Intelligence and Related Economic Research on Sino-Soviet Bloc and Non-Bloc Areas," 1 September 1958, was disseminated to the community in early October.

REPRESENTATION ON THE ECONOMIC INTELLIGENCE COMMITTEE FROM NSA AND THE OFFICE OF SPECIAL OPERATIONS, OSD:

6. Discussion: The Chairman discussed the suggestion that the EIC issue invitations to the National Security Agency (NSA) and to the Office of Special Operations, OSD, inviting them to become members of the EIC.

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7. Action: The EIC agreed that the Chairman should extend an invitation to the NSA and the Office of Special Operations, OSD, to become members, asking each to designate members of their staffs as representative and alternate on the EIC.

DRAFT MEMO TO THE USIB RE "CHANGES IN BASIC DOCUMENTS NECESSARY AS A RESULT OF THE ESTABLISHMENT OF A NEW SINGLE US INTELLIGENCE BOARD"
(Ref. USIB-D-1./2, 19 September 1958)

8. Discussion: A draft memorandum in response to USIB-D-1./2, proposing certain changes in DCID 3/1, was given to the members at the meeting for their review and approval.

9. Action: The EIC agreed that the Chairman should send this memorandum to the Executive Secretary, USIB, recommending that the changes noted be approved and that DCID 3/1 be reissued, incorporating these proposed changes with an effective date of 15 September 1958, parallel with the effective date of NSCID 1, from which the DCID is derived. [A copy of EIC-D-329 is attached.]

DRAFT HANDBOOK OF THE ECONOMIC INTELLIGENCE COMMITTEE (EIC-D-330)

10. Discussion: The draft Handbook, transmitted to the EIC members on 24 October, was tabled for Committee comment. The Chairman stated that the Handbook, in its draft form, had already been of considerable help to the Secretariat in answering questions from either the Subcommittee or the EIC members, and that it was anticipated that it would be a useful publication. Present plans are to distribute the Handbook, upon final publication, to each member of the EIC and to each Subcommittee Chairman and Executive Secretary. Questions were invited and discussion followed.

11. Action: The Navy representative, Mr. Bennett V. S. Davis, recommended, and the members concurred, that a statement on Security Classification be included. Because some of the members had not had enough time to carefully review the draft, it was agreed that the members would submit comments and suggestions by 15 November. Upon approval by interim action, the Handbook will be published as an EIC-approved document. Members were asked to indicate the number of copies desired, should they feel that a wider dissemination than that proposed is desirable. 25X1A9a



Executive Secretary

Attachment:

EIC-D-329

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INTERIM ACTIONS:

1. The EIC representatives of the USIB agencies approved, by interim action on 6 October 1958, the appointment of Mr. Leo M. Goodman as Chairman of the EIC Subcommittee on Requirements and Facilities for Collation, vice Mr. George Pope.

2. The EIC approved, by interim action on 22 October 1958, the appointment of Captain C. A. Stay, USN, as Chairman of the EIC Subcommittee on Shipbuilding, vice Captain Felix Caracciolo.

3. The EIC approved, by interim action on 31 October 1958, the appointment of [REDACTED] as Chairman of the new Subcommittee on Economic Defense. 25X1A9a

4. The EIC approved, by interim action, the following Revised Terms of Reference for its Subcommittees:

<u>Subcommittee</u>	<u>Date of EIC Approval</u>
General Economic Analysis	29 October 1958
Chemicals	7 November 1958
Requirements and Facilities for Collation	7 November 1958
International Trade and Finance	17 November 1958
Shipbuilding	17 November 1958
Transportation	18 November 1958
Industrial Machinery and Equipment	18 November 1958

5. The EIC approved, by interim action on 12 November 1958, the proposal that the study on "Policies, Performance, and Prospects of Soviet Agriculture" (EIC-P-12), be published as a CIA/ORR report with a Foreword indicating EIC review and approval.

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6. The EIC approved, by interim action on 19 November 1958, the issuance of the Handbook of the Economic Intelligence Committee as an EIC-approved document.

SECRETARY'S NOTES:

1. All EIC mail to the Department of the Army Representative should be addressed to:

Mr. J. Duncan Holmes
Technical Division, OACSI
Department of the Army
Room 2D466, The Pentagon

2. Regular mail addressed to the Department of the Air Force EIC Representative should be addressed as follows:

Mr. Kingsley W. Hamilton
Directorate of Targets (AFCIN-3)
Headquarters, US Air Force
Room 4B137, The Pentagon

Mail going by Special Messenger, or to be handcarried to the Air Force Representative, should be addressed as follows:

Mr. Kingsley W. Hamilton
Directorate of Targets (AFCIN-3)
Headquarters, USAF
"B" Building
Arlington Hall Station, Virginia.